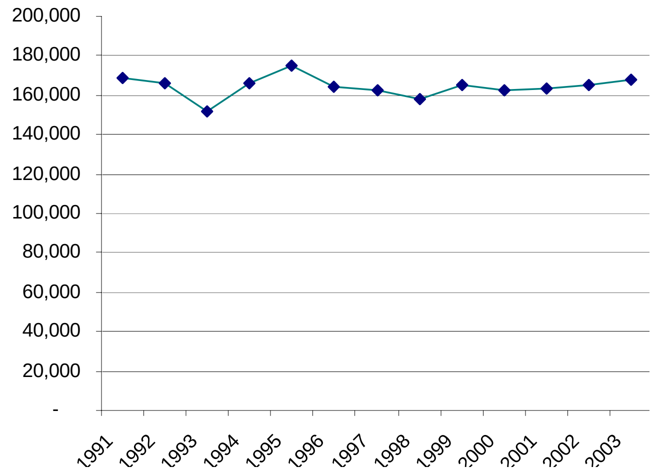
5.1 Overview

5.1.1.1 Job Growth and Change

Total employment in Long Beach has oscillated around 164,000 jobs over the past 13 years, with a high of 175,000 in 1995 and a low of 152,000 jobs during the 1992-93 recession. Historic employment trends for Long Beach are outlined in Figure 11. In 2003, the city's businesses employed 162,093 people, with another 16,000 self-employed residents.

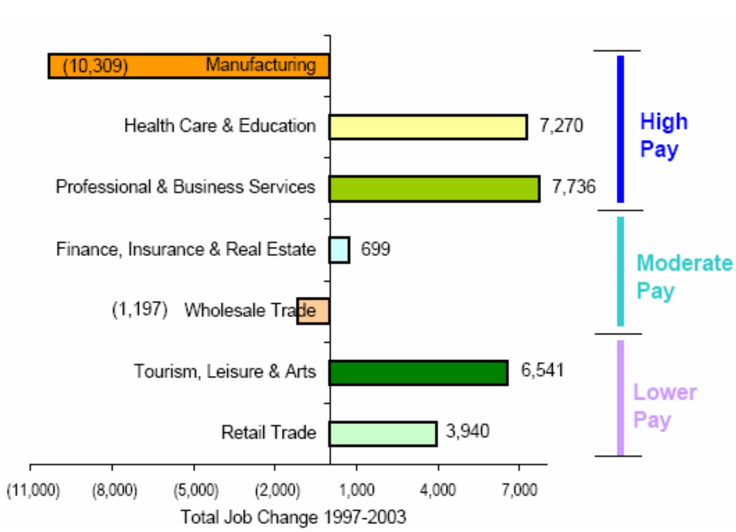
However, overall numbers obscure rapid declines and increases in particular economic sectors. For example, between 1997 and 2003, the city lost 10,319 high-paying manufacturing jobs and 1,206 wholesale trade jobs. During this same period Long Beach gained 6,541 low-paying tourism and 3,940 retail jobs, and 7,270 high-pay health care job. Absent manufacturing job losses, Long Beach's total employment would have grown significantly (Figure 12).

Figure 11: Long Beach Employment, 1991-2003



Source: EDD. 2004

Figure 12: Job Change, 1997-2003 selected sectors



Source: EDD, 2004

Annual employment numbers obscure job and firm turnover within the economy. For example in 2003, the economy added 535 firms, which employed 2,742 people. Also in 2003, the economy lost 613 firms (to relocation or closure) employing 2,813 people. Like all economies, Long Beach is always undergoing some business change.

Table 13: Business Churning, Long Beach 2003

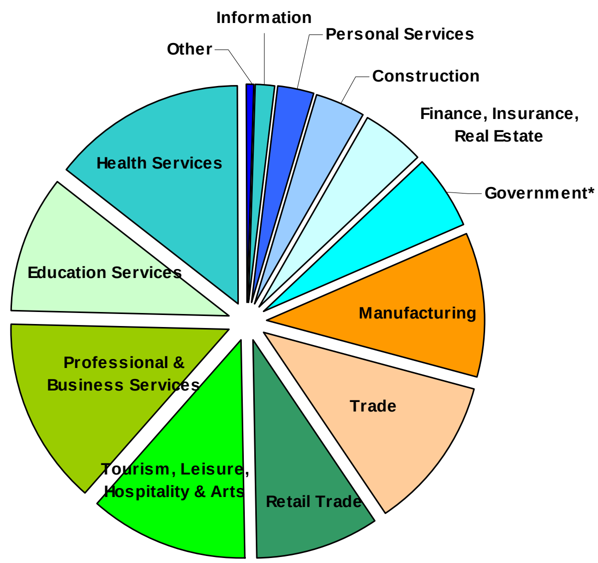
	Total Jobs	Total Firms
New Businesses to Long Beach, 2003		
First Quarter	1327	188
Second Quarter	747	161
Third Quarter	668	186
Fourth Quarter	954	229
Total New Businesses, 2003	**2,742**	**535**
Businesses Leaving Long Beach, 2003		
First Quarter	543	138
Second Quarter	923	180
Third Quarter	702	168
Fourth Quarter	645	128
Total Business Leaving, 2003	**2,813**	**613**

Source: EDD, 2004; MJC 2005

5.1.1.2 Economic Sectors

Past economic development efforts have focused on the Tourism, Trade, and Retail which together employ 32 percent of the Long Beach workforce or 57,670 workers. These sectors remain key to the economy. However, Education and Health Services, and Professional and Business Services now employ 37 percent of Long Beach's workforce (62,451 jobs) and are growing quickly. A smaller proportion of jobs are in Government, Construction, "High-Tech," Finance Insurance and Real Estate, Personal Services, and Information.

Figure 13: Jobs by Sector, Long Beach 2003

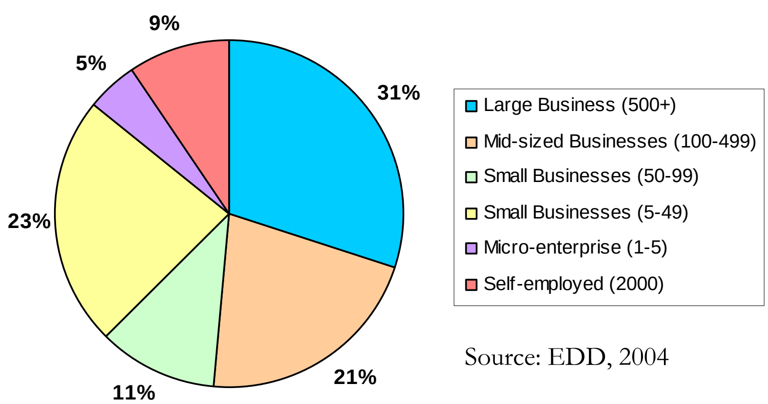


Source: EDD. 2004

Business Size and Top Employers

Large and medium-sized firms employ 52 percent of workers in Long Beach; 39 percent of all jobs are found in small businesses and micro-enterprises; and nine percent are self-employed.

Figure 14: Proportion of Jobs by Firm Size, 2003



Source: EDD, 2004

Table 14: Jobs and Payroll by Firm Size, Long Beach 2003

	Total Jobs	Total Firms	Average Payroll/Job
All Jobs (2003)	***162,097***	***7,199***	***$ 39,884***
Large Business (500+)	53,801	28	$ 46,794
Mid-sized Businesses (100-499)	38,161	196	$ 37,257
Small Businesses (50-99)	19,668	288	$ 37,119
Small Businesses (5-49)	41,719	2,661	$ 35,657
Micro-enterprise (1-5)	8,749	4,026	$ 35,223
Self-employed (2000)	***17,432***	*NA*	*$ 28,118*
Total	**179,529**		

Source: EDD, 2004; Census, 2000

However, Long Beach's largest employers include just 28 firms that employ 53,801 people with an average salary of $46,794. By comparison 2,661 small firms provide 41,719 jobs at an average salary of $35,657 (see Table 14).

5.2 Emerging Sectors

This section explores economic sectors that evidence consistent strong job growth and that are concentrated within Long Beach. Health, Education, Professional and Business Services, Retail Trade, and Tourism all meet these criteria. The emergence of these sectors illustrates Long Beach's transition from a manufacturing and trade based economy to one based on services. Though Long Beach held on to its manufacturing base longer than most communities, this same transition has been underway for many years throughout the U.S and in virtually every city.

5.2.1 HEALTH SERVICES

5.2.1.1 Overview

Long Beach has long been a center for health care. In 2003, 14 percent of jobs were in Health Services with total employment of 23,413 people (see Table 15). To gain a deeper understanding of what these numbers signify, it is useful to identify if Long Beach has more than its proportional share of jobs in health serves relative to California as a whole. With 14.4 percent of all Long Beach jobs in Health Services and only 7.5 percent of all California jobs in Health Services, Long Beach has two times as many health services jobs as would be expected if it had the same composition as California. This relative concentration of jobs is known as the Location Quotient and is used by economists to quantify the degree of economic specialization.[4] Thus Long Beach is specialized in health services relative to California and, as shown in Table 15, Long Beach has particularly strong concentrations in hospitals and nursing care facilities relative to California.

Table 15: Health Care Jobs, Long Beach 2003

	Long Beach					Location Quotients, comparing Long Beach to:	
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	LA-Long Beach MSA	California
Health Care and Social Assistance	**1010**	**23,412**	**$ 45,434**	**23**	**14.4%**	**1.8**	**1.9**
Ambulatory Health Care Services	755	7,704	$ 56,095	10	4.8%	1.5	1.6
Offices of Physicians	398	3,421	$ 84,264	9	2.1%	1.5	1.7
Offices of Dentists	169	1,027	$ 39,887	6	0.6%	1.1	1.0
Offices of Other Health Practitioners	122	697	$ 29,880	6	0.4%	1.4	1.3
Outpatient Care Centers	30	795	$ 46,314	27	0.5%	1.6	1.9
Residual-Other Ambulatory Health Care Services	36	1,764	$ 25,669	49	1.1%	1.9	2.3
Hospitals	9	10,022	$ 49,537	1114	6.2%	2.8	2.9
Nursing and Residential Care Facilities	65	3,139	$ 23,940	48	1.9%	1.4	1.4
Nursing Care Facilities	26	1,911	$ 23,726	74	1.2%	1.7	2.0
Residential Mental Retardation, Mental and Subst	16	692	$ 29,000	43	0.4%	1.1	1.3
Residual-Other Residential Care Facilities	23	536	$ 18,172	23	0.3%	1.0	2.7
Social Assistance	181	2,547	$ 23,530	14	1.6%	1.5	1.4
Individual and Family Services	43	762	$ 22,737	18	0.5%	1.1	1.1
Vocational Rehabilitation Services	13	553	$ 22,215	43	0.3%	2.0	1.6
Child Day Care Services	114	863	$ 21,225	8	0.5%	1.4	1.4
Community Food & Housing, & Emergency & Othe	11	369	$ 32,528	34	0.2%	2.5	2.8

Source: EDD, 2005

The average wage in healthcare is a robust $45,434, though wages range from a low of $18,172 in residential care facilities to $84,264 among dentist offices.

[4] The Location Quotient measures a city's relative concentration in an economic sector in comparison to a larger reference economy such as California. The Location Quotient (LQ) equals the percent of jobs in an economic sector in City of Long Beach divided by the percent of those jobs in the State of California. A LQ of more than one means that the City of Long Beach has specialized in that sector of the economy and is a net exporter of those services or products to the wider world. A LQ of less than one means that Long Beach is a net importer of the goods and services of the sector and has not specialized in that sector.

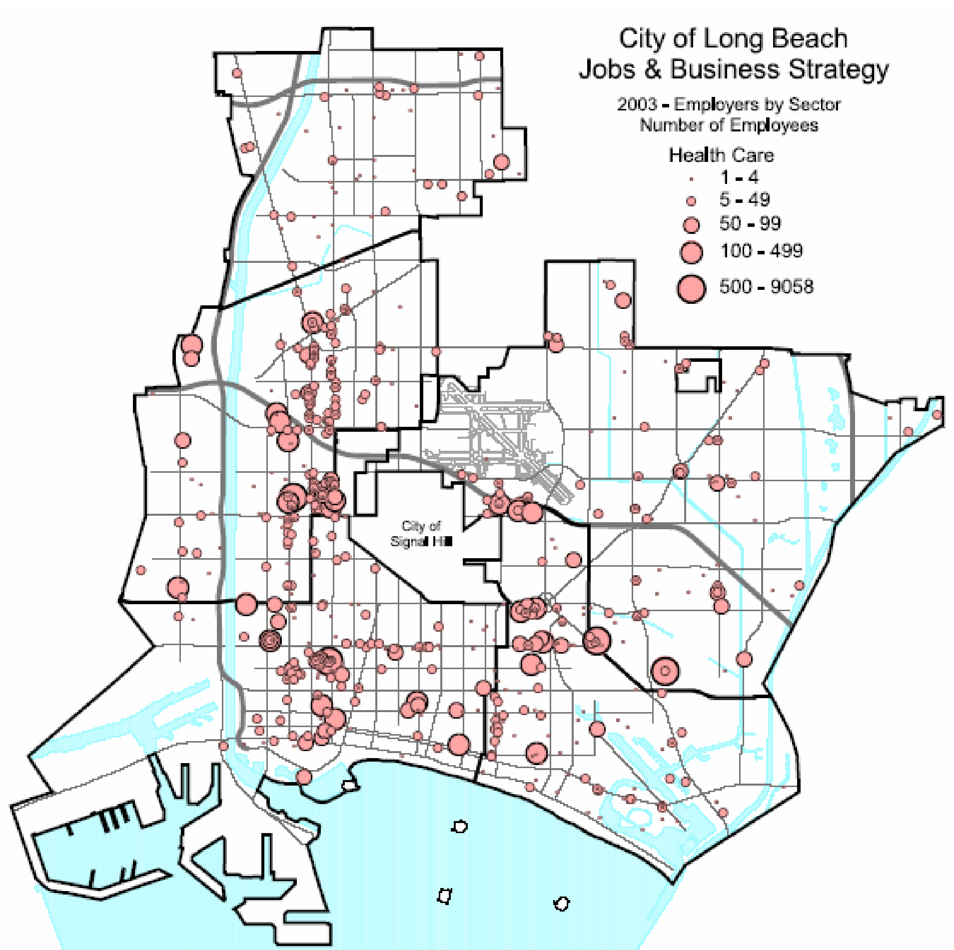
5.2.1.2 Trends

Overall, the Health Care Cluster has grown by 14 percent, or 7,270 jobs, since 1997 when the sector employed 16,142 workers. The fastest growing sub-sectors of this cluster are outpatient care (+81 percent job growth), residential care facilities (+174 percent), and childcare facilities (+392 percent).

Top health care employers include: Long Beach Memorial Medical Center (4,600 employees), the Veterans Administration Medical Center (2,300 employees), St Marys Medical Center (1,800 employees), Community Hospital (350 employees), and Pacific Hospital of Long Beach (800 employees).

As illustrated in the Map below, healthcare businesses are concentrated in the Downtown, west central and southeast areas of the City.

Figure 15: Map of Health Care Firms, 2003



Source: EDD, 2004

5.2.1.3 Cluster Challenges and Opportunities

During Focus Group discussions, key representatives from the health care sector discussed some of the challenges, opportunities and trends impacting the Health Care Cluster. These include:

- A very serious shortage of healthcare workers, particularly RNs, LVNs, CNAs, and Medical Assistants.
- Uncertainty in State funding priorities for health care which compounds local health service problems.

- An increase in the number of uninsured workers, especially as job growth has been primarily in sectors which don't provide health insurance such as tourism and retail.
- Mental health is a big health issue in Long Beach, with many people not receiving the care they require. Likewise behavioral health programs are closing, while the need for such programs is increasing.
- As baby-boomers retire, it will be difficult to replace these retiring health care workers.
- Rising housing costs make it more difficult for hospitals to attract and retain qualified medical personnel.
- The medical industry is not adopting technology as it should.
- The aging population will increase demand for senior care services.

5.2.1.4 Implications for Economic Development

- While healthcare is a core sector of Long Beach's economy, it is threatened by a severe shortage of health care workers.
- The City needs a work-based training program that helps working CNAs gain training to become LVNs, and working LVNs become RNs.

5.2.2 EDUCATION

5.2.2.1 Overview

Long Beach has long been a center for education. In 2003, 16,512 people were employed in Education (see Table 16). Long Beach has six times as many education jobs as would be expected if it had the same composition as California. Long Beach has specialized in education relative to California and the city "exports" education outside of its borders (in the form of college graduates). This technique of comparing proportional concentration of jobs in an economic cluster is called a Location Quotient (LQ) analysis and is often used by economists to analyze an economy. As shown in Table 16, Long Beach's economy is strengthened by specialization in Junior Colleges (LQ=19.6), and Universities and Professional Schools (LQ=4.7). Education jobs average $51,410 in payroll per employee, with slightly higher pay in elementary and secondary schools ($54,980) than at junior colleges ($38,819) or universities ($50,016).

Table 16: Education Jobs, 2003

	Long Beach					California		Location Quotient
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	(Relative Concentration of Sector in Long Beach)
Educational Services	**117**	**16,512**	**$ 51,410**	**141**	**10.2%**	**260,200**	**1.5%**	**6.6**
Elementary and Secondary Schools	18	9,267	$ 54,980	515	5.7%	80,500	0.5%	12.0
Junior Colleges	2	1,856	$ 38,819	928	1.1%	9,900	0.1%	19.6
Colleges, Universities and Professional Schools	6	4,627	$ 50,016	771	2.9%	103,200	0.6%	4.7
Residual- Business, Technical Schools and Support ⁻	91	762	$ 47,134	8	0.5%	66,700	0.4%	1.2

Source: EDD, 2005

Education related job growth has been strong and will continue to increase over the next ten years.

- CSU Long Beach anticipates adding up to 9,000 additional Full Time Equivalent (FTE) students by 2010 to current enrollment of 26,800 FTE students. This 33 percent increase in enrollment should translate into 1,980 new jobs at CSU Long Beach as well as multiplier jobs in the community. In addition, the system-wide expansion of CSU will likely result in additional staffing at the CSU Chancellor's Office.
- Long Beach Unified School District currently serves 95,483 students, up 24 percent from 1993's enrollment of 76,786 students. However, enrollment has declined in the past two years, especially in the elementary grades, indicating a slight slowing in future job growth at the District. The slow job recovery and the booming housing market, which has priced some young families with children out of Long Beach, have contributed to declining enrollment.
- Long Beach City College is also in a growth mode with student enrollment increasing by an anticipated 3,000 students to 32,401 by 2010 and 35,848 students by 2015.[5] City College has also completed a Facilities Master Plan including design and development of: the New South Quad (a complex of 100,000 sq ft. of new classroom, state-of-the-art multipurpose rooms, and administrative offices), and a new facilities/warehouse complex that will serve as interim housing for the aviation and automotive programs.[6]

Top 10 Education Employers, Long Beach 2003

2,000 - 10,000 employees
- LONG BEACH UNIFIED SCHOOL DISTRICT
- CSU LONG BEACH
- LB COMMUNITY COLLEGE DISTRICT

200 - 1999 employees
- BROOKS COLLEGE
- CSU LONG BEACH FOUNDATION
- CSU CHANCELLORS OFFICE

75 - 199 employees
- CALIF PARAMEDICAL & TECH COLLEGE
- FLIGHT SAFETY INTL INC.
- EDUCORP INC.
- FLIGHTSAFETY BOEING TRAINING

Source: MJC, 2005

[5] Many City College students are part-time. In 2003 for example the district had 29,294 students but only 9,155 FTES.

[6] Long Beach City College Superintendent-President's Letter 2004: www.departments.lbcc.edu/planning/planning.html#

During Focus Group discussions, key representatives from the education sector discussed some of the challenges, opportunities and trends facing education, including:

- Classroom overcrowding is still commonplace in K-12, though declining enrollment will allow the Long Beach School District to reduce overcrowding somewhat. However, declining enrollment translates directly into declining revenue from the State, and the District will face a declining budget over the next 5-10 years.
- Poor people are not sufficiently connected to mainstream opportunities in Long Beach, particularly education and employment opportunities.
- The education system does not currently adequately prepare young people for non-college careers.
- The high-school drop-out rate has increased, and is particularly high among some ethnic groups.
- The city is shifting to a community composed of more Hispanics and immigrants. Consequently some cultural enclaves are insulated and isolated by language barriers.
- Rising housing costs make it more difficult for colleges to attract and retain qualified faculty and staff, and impact student retention and graduation rates.

5.2.2.2 Implications for Economic Development

- As California's budget woes continue, higher UC system tuition will result in higher CSU system enrollment and corresponding enrollment and staffing growth at CSU Long Beach and the CSU Chancellor's office. The City of Long Beach could engage with CSU Long Beach to insure that enrollment growth is effectively accommodated with minimal impacts on the City's budget.
- Neither the School District nor the state colleges contribute property taxes to the City of Long Beach, though all require police, fire and other services.

5.2.3 *TOURISM, ARTS AND LEISURE*

5.2.3.1 Cluster Overview

Long Beach has much to offer local residents and tourists: balmy weather, miles of beaches, a world class convention center, first class hotels, a wide array of exciting restaurants, and unique attractions such as the Queen Mary, the Aquarium of the Pacific, Museum of Latin American Art (MoLAA), and the Long Beach Grand Prix. In addition, Long Beach's extensive marine facilities and services, beaches, and access to Catalina Island attract inland community day-trippers who visit Long Beach to escape the heat and enjoy the ocean. Well known throughout the LA basin as the home of accomplished artists, Long Beach has a unique local arts scene which serves visitors and locals alike. Long Beach's reputation as an artist center has been fostered through a variety of mechanisms, including the designation and development of the East Village Arts District -- a forty-block urban art village in Downtown Long Beach. The Public Corporation for the Arts (PCA) serves as an information clearinghouse for over 600 emerging, mid-career, and professional fine artists and over 100 cultural arts organizations. This cluster serves tourists, local residents and workers.

As shown in Table 17, 19,001 people were employed by 828 Long Beach businesses in 1993 by Tourism, Leisure and Arts cluster serving visitors, residents and workers in Long Beach. The cluster has grown by an astonishing 52 percent since 1997: adding 6,541 jobs to the 1997 total of 12,460. Overall the sector has 1.4 times as many jobs as would be expected relative to California (LQ=1.4), indicating that Long Beach is a center for tourism relative to both California and Los Angeles.

- Currently, 1,681 people are employed in the performing arts and spectator sports, while 1,076 people are employed in amusement and recreation related businesses, with an average salary of $23,416.
- Hotels and motels employ 3,110 people, and with a location quotient of 1.7 are attracting twice their fair share of California tourists (see Table 17). Average salaries are a low $18,785, however.

Top 10 Tourism, Leasure, Arts & Entertainment Employers, 2003

250 - 1000 employees

- QUEEN MARY SEAPORT
- CITY OF LONG BEACH, Parks & Recreation
- HYATT CORPORATION
- WESTIN-LONG BEACH
- YARD HOUSE, LP
- LONG BEACH AQUARIUM OF THE PACIFIC
- LONG BEACH MARRIOTT

200 - 249 employees

- SUPER MEX RESTAURANTS, INC.
- LUCILLE'S SMOKEHOUSE BAR-B-Q
- HILTON HOTELS CORP

Source: MJC, 2005

Table 17: Tourism, Leisure, Hospitality and Arts Jobs, Long Beach 2003

	Long Beach					California		
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Tourism, Leisure, Hospitality & Arts	**828**	**19,001**	$ 16,443	23	11.7%	1,397,600	8.2%	**1.4**
Arts, Entertainment, and Recreation	72	1,681	$ 23,416	23	1.0%	233,900	1.4%	**0.8**
Performing Arts, Spectator Sports	33	585	$ 35,326	18	0.4%	59,800	0.4%	**1.0**
Residual-Performing Arts Companies	10	113	$ 36,169	11	0.1%	15,800	0.1%	**0.7**
Independent Artists, Writers, and Performers	16	81	$ 79,903	5	0.0%	17,100	0.1%	**0.5**
Museums, Historical Sites, and Similar Institutions	7	391	$ 25,847	56	0.2%	13,200	0.1%	**3.1**
Amusement, Gambling, and Recreation	39	1,096	$ 17,059	28	0.7%	160,900	0.9%	**0.7**
Accommodation and Food Service	677	15,480	$ 15,071	23	9.6%	**1,163,700**	**6.9%**	**1.4**
Accommodation	41	3,110	$ 18,785	76	1.9%	191,600	1.1%	**1.7**
Food Services and Drinking Places	636	12,370	$ 14,138	19	7.6%	972,100	5.7%	**1.3**
Full-Service Restaurants	222	6,061	$ 15,297	27	3.7%	462,600	2.7%	**1.4**
Limited-Service Eating Places	325	4,758	$ 12,427	15	2.9%	436,400	2.6%	**1.1**
Special Food Services	22	1,114	$ 15,886	51	0.7%	47,800	0.3%	**2.4**
Drinking Places (Alcoholic Beverages)	67	437	$ 12,226	7	0.3%	25,400	0.1%	**1.8**

Source: EDD, 2005

Overall 12,370 people are employed in restaurants, specialty food, catering and bars, a 33 percent increase (+3,056 jobs) over the 1997 total. Restaurants and bars serve both local residents and tourists. There are 1.3 as many Food Service and Drinking Place jobs in Long beach relative to California, indicating that roughly 30 percent of business at restaurants and bars is non-local.

Overall, this sector is composed of:

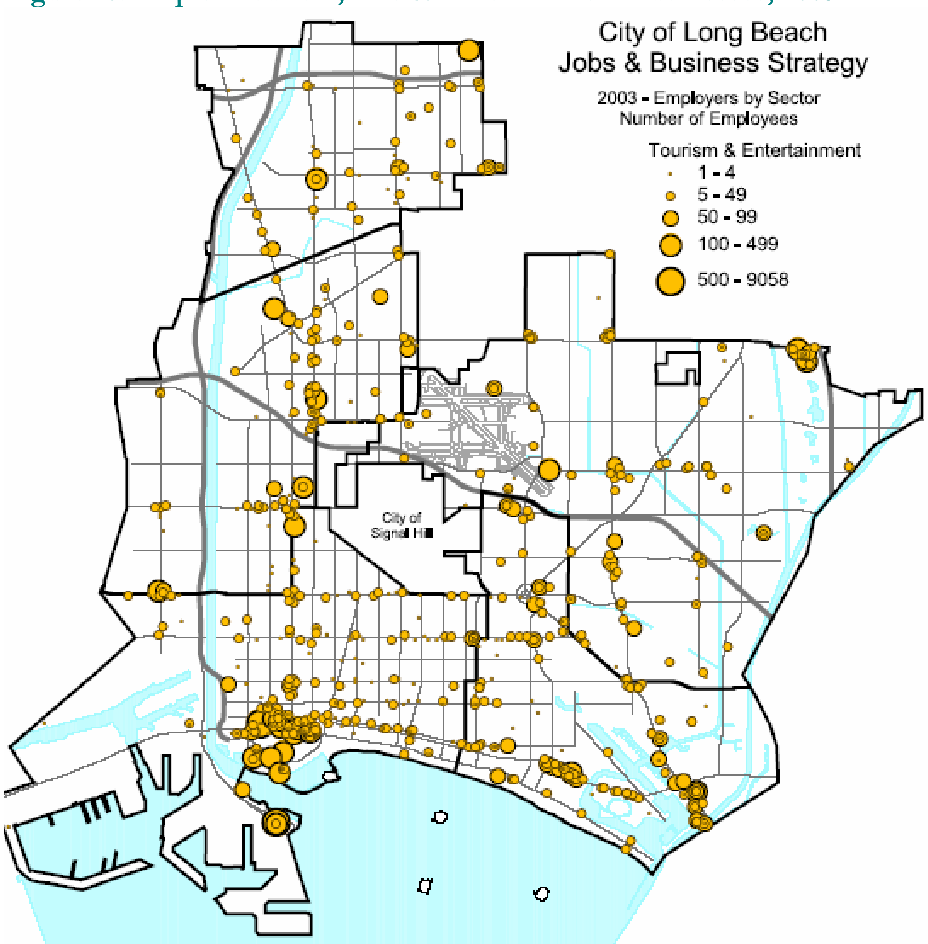
- 222 full-service restaurants employing 6,061 people, with an average annual salary of $15,297.
- 325 limited-service eating places employing 4,758 people
- 67 drinking places with 437 employees.

Supporting Sectors. While not in this sector, charter buses, taxis, scenic and sightseeing water transportation, and passenger car rental agencies all primarily serve the tourism sector and together employ 733 people.

Largest Full-Service Restaurants, 2003
200 - 300 employees
YARD HOUSE, LP
SUPER MEX RESTAURANTS, INC.
LUCILLE'S SMOKEHOUSE BAR-B-Q
HOFS HUT
100 - 199 employees
SHOREHOUSE CAFE, INC
CLAIM JUMPER RESTAURANT
T G I FRIDAYS INC.
THE REEF
MIMI'S CAFE
KING'S FISH HOUSE CALABASAS, L.P.

Source: MJC, 2005

Figure 16: Map of Tourism, Arts & Entertainment Businesses, 2003



Source: EDD, 2004

Tourism, arts and entertainment businesses are located throughout Long Beach, as shown in the Map above, with a clustering around Downtown, Rainbow Harbor, and the Marina.

5.2.3.2 Economic Impact of Tourism

This section analyzes the particular economic impacts of overnight and day visitors on Long Beach's economy. Tourists are a major component of Long Beach's economy and a prime stimulant of this cluster. Business and pleasure tourists contributed roughly $750 million to Long Beach's economy in 2003. Most of this economic impact stems from visitor expenditures in hotels ($120 million), restaurants ($179 million), shopping ($151 million), entertainment ($141 million), car rental, gas and other services.

As shown in Table 18, tourist expenditures support roughly 9,800 jobs, primarily in hotels and motels (3,110 jobs) and in eating and drinking places (4,300 jobs). Long Beach captures an estimated six percent ($750 million) per year of LA County's $12.9 billion tourism economy per year.

Long Beach visitors also contribute significantly to the City's fiscal health in the form of Transient Occupancy Tax (TOT) revenues, sales tax, property taxes and business license fees. In 2002, the City received an estimated $18 million in revenue from business generated by overnight and day-trip visitors, including: $14.4 million in Transient Occupancy Taxes, and roughly $3.5 million in retail sales tax.

Table 18: Estimated Economic Impact of Day and Over-night Visitors in Long Beach, 2003

Sector	Jobs (1)	Business Revenue (2)	City Revenue	Revenue Source
Hotels & Motels	3,110	$ 120,515,346	$ 14,461,842	TOT Tax
Eating & Beverage Services	4,303	$ 179,700,182	$ 1,347,751	Sales Tax
Shopping at Destination	623	$ 151,627,616	$ 1,137,207	Sales Tax
Ground Transportation & Motor Fuel	919	$ 153,177,270	NA	
Arts, Recreation & Entertainment	914	$ 141,316,462	$ 1,059,873	Sales Tax
Total	9,869	$ 746,336,876	$ 18,006,673	

Sources: MJC, 2004; Dean Runyun Associates, 2003; EDD, 2004; State Board of Equalization, 2004

1) includes part, full-time and self-employment estimates

2) Business revenues estimated based on ratios from Los Angeles County

As an "export sector", tourism-serving businesses sell goods and services to people from outside of the Long Beach area, and thereby bring money into the city and contribute to the "multiplier effect" by creating spin-off jobs and business in related sectors.

5.2.3.3 Trends and Assets

Area Attractions and Visitors

Long Beach attractions bring an estimated 6.1 million day and overnight visitors to Long Beach per year.[7] The City has contributed directly and indirectly to the quality of these attractions. As indicated in Figure 17, Long Beach attracts over a million visitors to the Queen Mary and the Aquarium of the Pacific each year. The Long Beach Convention Center performs very competitively, averaging 464,000 conventioneers per year. The new Carnival Terminal will add at least 350,000 debarkations to the Long Beach tourism market each year.

Figure 17: Major Long Beach and LA-Area Visitor Attractions

	Annual Visitors
Long Beach Visitor Attractions	
Museum of Latin American Art (MOLAA)	52,000
Long Beach Museum of Art	55,000
Queen Mary	1,500,000
Long Beach Convention Center	487,000
Carnival Terminal	350,000
The Aquarium of the Pacific	1,162,735
L.A. Area Visitor Attractions	
Disneyland, Anaheim	12,720,000
Disney's California Adventure	5,311,000
Universal Studios, Hollywood	4,576,000
Huntington State Beach, Huntington Beach, CA	3,769,946
Doheny State Beach, Dana Point, Orange County	1,834,908
Bolsa Chica State Beach, Huntington Beach, CA	2,257,957

Souce: MJC, 2004; California Travel and Tourism Commission, 2004

[7] MJC estimated the total number of visitor travel days to Long Beach by dividing total visitor expenditures of $746 million by the average California visitor expenditure of $121/day. Based on this crude but valid calculation, visitors spent an estimated 6.1 million travel days in Long Beach in 2003.

Long Beach Hotel Trends

With 49 hotels, Long Beach offers 4,928 rooms, with over 2,100 of these rooms in downtown Long Beach and on the Queen Mary. As indicated in Table 19, the Long Beach hotel market has recovered from its post 9/11 lows. Occupancy in 2004 was a very healthy 75 percent. Average daily room rates have risen steadily over the past seven years and now approach $100 per night. With $120 million in total revenue in 2003, the hotel market is rapidly returning to the exuberance of 2000.

Table 19: Hotel Occupancy, Average Daily Rate, Revenue/Available Room, Long Beach, 98-04

Year	Occupancy (%)	Average Daily Rate ($)	Revenue Per Available Room	Total Rooms	Total Room Demand	Total Revenue
1998	70.1	$ 83.99	$ 58.90	1,828,650	1,282,336	$ 107,699,134
1999	71.4	$ 88.53	$ 63.22	1,826,790	1,304,598	$ 115,491,910
2000	76.3	$ 94.23	$ 71.89	1,806,750	1,378,393	$ 129,886,883
2001	70.2	$ 95.95	$ 67.35	1,802,042	1,264,931	$ 121,364,244
2002	69.4	$ 94.42	$ 65.53	1,798,720	1,248,302	$ 117,866,160
2003	70.5	$ 95.08	$ 67.00	1,798,720	1,267,516	$ 120,515,346
2004 YTD	75.0	$ 99.22	$ 74.40			
Avg	71.8	$ 93.06	$ 66.90	1,810,279	1,291,013	$ 118,803,946

Source: Smith Travel Research, 2004; MJC 2004

Data was provided from Smith Travel Research for the following hotels: Courtyard Long Beach Downtown, Holiday Inn Long Beach Airport, Comfort Inn Los Angeles, Hyatt Regency Long Beach, Travelodge Long Beach Convention Center, Guesthouse Inns Hotel Long Beach, Coast Hotels Long Beach Hotel, Super 8 Long Beach, Residence Inn Long Beach, Rodeway Inn Long Beach, Renaissance Long Beach Hotel, Holiday Inn Long Beach Downtown, Westin Long Beach, Marriott Long Beach, Hilton Long Beach, Days Inn Long Beach, Best Western Of Long Beach, Extended Stay America Long Beach. Total hotel rooms in surveyed hotels is 3688 rooms.

The Long Beach hotel market is sufficiently strong to support the development of new hotels and three hotel projects are either currently under construction or in the planning stages.

Airport Trends

As a relatively small and very accessible airport with direct connection to a variety of large U.S. cities, the Long Beach Airport has contributed significantly to Long Beach's business, convention and leisure travel business. Air passenger volume increased from 1.4 million to 2.8 million passengers, an increase of 98 percent, from 2002 to 2003. Air passenger volumes have stabilized in 2004 as a result of legal limits to the number of local flights. As the dominant carrier, JetBlue served 71 percent of all passengers.[8]

Photo: Long Beach Airport

[8] JetBlue has direct connections with Oakland, Washington D.C., New York JFK, Salt Lake City, Boston, Fort Lauderdale and Las Vegas. Alaska Airlines, American West Airlines, and American Airlines provide direct service to Seattle, Phoenix, Dallas/Ft. Worth and New York's JFK respectively.

5.2.3.4 Cluster Trends

According to focus group participants:

- Long Beach is a rising star in LA County for visitors and tourism, as the city is starting to build an identity as a tourist destination in its own right. Wages are trending up in the tourism and arts cluster as ever more jobs are added.
- Convention Center business is strong. The expanded Long Beach Convention and Entertainment Center, includes a 224,000 square-foot exhibit hall, 83,000 square feet of meeting room space, a ballroom able to comfortably seat 1,600, a 13,600-seat arena, and two theaters in the Long Beach Performing Arts Center.
- New housing in downtown should attract a new urban demographic and help revitalize downtown retail.
- Long Beach has been working to create a vibrant arts district near the downtown. The Arts District could become a major destination with additional revitalization and arts attractions, such as the proposed Art Exchange. Arts organizations are collaborating more as they face cuts in funding.
- The declining value of the US dollar should translate into increased inbound travel to the US from foreign tourists, especially from Canada, as well as an increase in domestic visitors from the United States who may find travel abroad too expensive on a declining dollar.
- The new Carnival Terminal (opened April 2003) is home to two 855-foot cruise ships with approximately 330,000 annual passengers. Increased cruise line activity at the Port of Los Angeles (Disney Cruise Lines and Queen Mary 2) will further increase debarkations near and in Long Beach.

5.2.3.5 Implications for Economic Development

- Tourism, Arts and Leisure jobs are good entry-level jobs which provide low skilled workers with an opportunity to enter the workforce and build job skills. However there are few opportunities for advancement in this sector and most jobs offer relatively low pay.
- Tourism, Arts and Leisure businesses generally improve the quality of life for residents and potential residents. Growth in these sectors therefore make a community more attractive overall for more highly skilled workers.
- This sector provides rapid job growth to Long Beach's economy and generates significant revenues for the City's General Fund.

5.2.4 RETAIL

5.2.4.1 Overview

Overall, merchandise retail stores[9] employed some 14,987 people in 913 firms in 2003, an increase of 36 percent (3,940 jobs) over 1997 employment of 11,047. As indicated in Table 20, retail sectors with the most jobs include: grocery stores (3,218 jobs), motor vehicle and parts dealers (1,961 jobs), and clothing stores (1,438 jobs). These same sectors had the greatest absolute job growth since 1997: grocery stores (+561 jobs), motor vehicle and parts dealers (+430 jobs), and clothing stores (+625 jobs).

Table 20: Retail Jobs, Long Beach 2003

	Long Beach					California		
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Retail Trade	**913**	**14,987**	**$ 23,025**	**16**	9.2%	1,589,900	9.4%	**1.0**
Motor Vehicle and Parts Dealer	84	1,961	$ 41,163	23	1.2%	207,800	1.2%	**1.0**
Automobile Dealers	22	1,086	$ 50,600	49	0.7%	138,800	0.8%	**0.8**
Other Motor Vehicle Dealers	14	278	$ 43,907	20	0.2%	17,000	0.1%	**1.7**
Automotive Parts, Accessories and Tire Stores	48	597	$ 22,721	12	0.4%	52,000	0.3%	**1.2**
Furniture and Home Furnishings Stores	45	343	$ 24,962	8	0.2%	61,900	0.4%	**0.6**
Electronics and Appliance Stores	46	381	$ 35,962	8	0.2%	78,700	0.5%	**0.5**
Building Material and Garden Equipment Stores	27	695	$ 23,362	26	0.4%	123,400	0.7%	**0.6**
Food and Beverage Stores	161	3,733	$ 18,578	23	2.3%	307,583	1.8%	**1.3**
Grocery Stores	126	3,218	$ 19,646	26	2.0%	269,242	1.6%	**1.2**
Residual-Specialty Food Stores	35	333	$ 18,404	10	0.2%	38,342	0.2%	**0.9**
Liquor Stores	53	182	$ 13,249	3	0.1%	12,358	0.1%	**1.5**
Health and Personal Care Stores	91	1,188	$ 31,316	13	0.7%	103,500	0.6%	**1.2**
Gasoline Stations	60	466	$ 19,620	8	0.3%	55,700	0.3%	**0.9**
Clothing and Clothing Accessories Stores	94	1,438	$ 18,281	15	0.9%	168,900	1.0%	**0.9**
Sporting Goods, Hobby, Book and Music Stores	50	1,160	$ 16,079	23	0.7%	84,700	0.5%	**1.4**
Sporting Goods, Hobby and Musical Instrument Sto	41	1,086	$ 14,980	26	0.7%	54,600	0.3%	**2.1**
Book, Periodical and Music Stores	11	137	$ 23,673	12	0.1%	30,200	0.2%	**0.5**
General Merchandise Stores	28	1,942	$ 16,813	69	1.2%	248,800	1.5%	**0.8**
Department Stores	7	1,024	$ 15,615	146	0.6%	185,700	1.1%	**0.6**
Other General Merchandise Stores	21	918	$ 18,149	44	0.6%	63,100	0.4%	**1.5**
Miscellaneous Store Retailers	112	946	$ 18,332	8	0.6%	106,000	0.6%	**0.9**
Nonstore Retailers	18	245	$ 31,749	14	0.2%	30,600	0.2%	**0.8**
Consumer Rentals	44	307	$ 16,381	7	0.2%		0.0%	NA

Source: EDD, 2005

Overall Long Beach retail largely serves local needs without drawing significant customers from the surrounding community (LQ=1). However the overall retail jobs picture obscures difference in performance within the sector. Top performing retail sectors include: sporting goods, hobby and musical instrument stores (LQ =2.1), liquor stores (LQ=1.5), grocery stores (LQ=1.2) and automotive parts and accessories (LQ=1.32). Poor performing retail sectors include: Department Stores (LQ= 0.6), automobile dealers (LQ=0.8), furniture (LQ=0.6), and electronics stores (LQ=0.5). Many poorly performing retail sectors are losing out to competitive malls outside of Long Beach.

Wages. The average retail payroll was $23,025 in 2003. Salaries range from a relatively low $13,249 for liquor store jobs to a relatively high $50,600 for jobs with auto dealers. For detailed information about wages by sector, please see Table 20.

[9] The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. This sector comprises two main types of retailers: store and non-store retailers. Store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. Non-store retailers reach customers and market merchandise through "infomercials," direct-response advertising, paper and electronic catalogs, door-to-door solicitation, in-home demonstrations, and selling from portable stalls (street vendors, except food), and distribution through vending machines.

5.2.4.2 Trends and Retail Leakage

People engage in three distinct types of shopping, namely: pleasure shopping, chore shopping and comparison shopping.[10] Retail areas and retailers must focus efforts to serve these core shopping patterns. Currently, Long Beach retail centers provide fair to good venues for all three types of shopping. However, a variety of very competitive shopping malls outside of Long Beach attract many Long Beach residents, which results in "retail sales leakage" and the loss of potential City sales tax revenues and jobs.

Overall retail sales in Long Beach have grown by ten percent per year since 1999. Total sales have increased from $2.8 billion in 1999 to $3.6 billion in 2003. Most of the growth in retail sales can be attributed to a spike in the building materials sales after Lowe's opened Long Beach outlets in 2000.

Table 21: Taxable Retail Sales, Long Beach 2000-2003 ($1000 of dollars)

	1999	2000	2001	2002	2003	Average Annual % Growth
Retail Stores						
Apparel stores	$ 83,074	$ 94,923	$ 98,924	$ 103,142	$ 105,942	7%
General merchandise stores	$ 252,223	$ 285,654	$ 281,139	$ 317,025	$ 387,954	7%
Food stores	$ 181,700	$ 191,014	$ 186,083	$ 192,907	$ 194,872	2%
Eating and drinking places	$ 402,609	$ 450,710	$ 466,732	$ 489,759	$ 520,374	6%
Home furnishings and appliances	$ 85,995	$ 94,034	$ 88,875	$ 92,281	$ 93,983	2%
Bldg. matrl. and farm implements	$ 191,588	$ 495,966	$ 400,575	$ 500,446	$ 516,578	19%
Auto dealers and auto supplies	$ 293,008	$ 332,679	$ 345,656	$ 328,824	$ 314,220	4%
Service stations	$ 225,915	$ 306,657	$ 278,348	$ 268,523	$ 336,850	4%
Other retail stores	$ 358,488	$ 410,973	$ 427,138	$ 443,404	$ 436,990	7%
Total Retail Stores	*$ 2,074,600*	*$ 2,662,610*	*$ 2,573,470*	*$ 2,736,311*	*$ 2,907,763*	12%
All Other Outlets	$ 748,956	$ 770,161	$ 837,139	$ 852,224	$ 739,611	4%
Totals All Outlets	**$ 2,823,556**	**$ 3,432,771**	**$ 3,410,609**	**$ 3,588,535**	**$ 3,647,374**	**10%**

Source: State Board of Equalization, 2004; MJC, 2004

Major national trends in the retail market include: the domination by planned shopping centers for both the pleasure and comparison shopping markets, with a general decline in smaller malls. Within the chore shopping market, the "Big Box" (such as Wal-Mart, K-Mart, Home Depot) market share is growing and most Big Box retailers prefer stand-alone sites. "Super Stores" are growing in kind and number, and drive to and through convenience shopping is also growing.[11] These general trends influence Long Beach retailing patterns.

5.2.4.3 Taxable Retail Sales Leakage Analysis

The City of Long Beach has significant retail sales leakage. As shown in the Table 22, Long Beach underperforms the City of Los Angeles in every retail sales category on a per-capita basis except for building materials. The City of Los Angeles was chosen as the benchmark city because of its similar demographic

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[10] **Chore Shopping.** Chore shopping consists of shopping for groceries, gas, and household items. Chore shopping typically takes place in "big-box" retailers, stand alone super stores and grocery stores, and power centers. In Long Beach, chore shopping occurs primarily at Wal-Mart, Home Depot, Lowe's, Target, K-Mart, Vons, Albertsons, and other big box retailers.
Pleasure Shopping. Pleasure shopping typically consists of fine dining, gift purchases, higher-end apparel, furnishings and higher-end household items. According to a recently completed phone survey by Talbot Consultants, the "most shopped" retail centers in the Long Beach Retail Trade Area are Lakewood Center, Cerritos Mall, Del Amo Fashion Center, South Coast Plaza, and Pine Avenue. Long Beach shopping areas are the "most shopped" pleasure shopping centers by only 18 percent of the retail trade area resident respondents.
Comparison Shopping. Comparison shopping is typically for big-ticket-items such as cars or large appliances and typically occurs in large auto-malls or regional shopping malls. Long Beach's Traffic Circle auto mall also has a variety of auto retailers, but Signal Hill auto dealers are capturing a large share of the Long Beach auto sales market.

[11] Nelson & Niles 1999

composition and because its size makes retail leakage considerably less likely. The City of Long Beach loses much of its retail sales to four competitor cities: Signal Hill, Lakewood, Cerritos and Carson. As shown in Table 22, on a sales-per-capita basis, these cities capture much more than their fair share of retail sales in the general merchandise, building materials, auto dealers and supplies, other retail, and outlet categories. Indeed Signal Hill, perched in the middle of Long Beach, is particularly adept at capturing significant retail sales dollars from Long Beach's residents and workforce. In 2002, Signal Hill had $95,566 in taxable sales per capita compared to Long Beach's $7,775 in total taxable sales per capita.

Table 22: Per Capital Annual Retail Sales, Long Beach and Competitor Cities, 2002

	Comparison		Competitor Cities			
	Los Angeles	Long Beach	Signal Hill	Lakewood	Cerritos	Carson
Retail Stores						
Apparel stores	$ 361	$ 223	$ 270	$ 982	$ 2,550	$ 182
General merchandise stores	$ 859	$ 687	**$ 12,456**	**$ 2,775**	**$ 6,334**	$ 1,635
Food stores	$ 426	$ 418	$ 782	$ 591	$ 260	$ 371
Eating and drinking places	$ 1,096	$ 1,061	$ 1,342	$ 1,411	$ 1,671	$ 805
Home furnishings and appliances	$ 316	$ 200	$ 1,529	$ 404	$ 972	$ -
Bldg. matrl. and farm implements	$ 506	$ 1,084	**$ 11,010**	$ -	$ -	$ 1,124
Auto dealers and auto supplies	$ 1,017	$ 712	**$ 24,132**	$ 1,658	**$ 19,926**	$ 3,932
Service stations	$ 656	$ 582	**$ -**	$ 797	$ 463	$ 875
Other retail stores	$ 1,182	$ 961	**$ 29,641**	$ 2,290	**$ 4,858**	$ 3,114
Total Retail Stores	*$ 6,419*	*$ 5,929*	*$ 81,162*	*$ 10,909*	*$ 37,034*	*$ 12,038*
All Other Outlets	$ 2,200	$ 1,847	$ 14,404	$ 439	$ 8,030	$ 7,226
Totals All Outlets	**$ 8,619**	**$ 7,775**	**$ 95,566**	**$ 11,348**	**$ 45,063**	**$ 19,265**

Source: State Board of Equalization, 2002; MJC, 2004

In 2002, Long Beach lost about $389 million in potential retail sales to competitor cities through retail sales leakage. Retail sales leakage is calculated by comparing Long Beach's sales per capita with that of a larger reference area (in this case Los Angeles). In 2002, Long Beach lost $2.9 million in sales tax revenue to retail sales leakage (see Table 23). A significant number of retail jobs, which could be in Long Beach are also in neighboring competitor communities as a result of this leakage.

Table 23: Taxable Retail Sales Leakage, Long Beach 2002

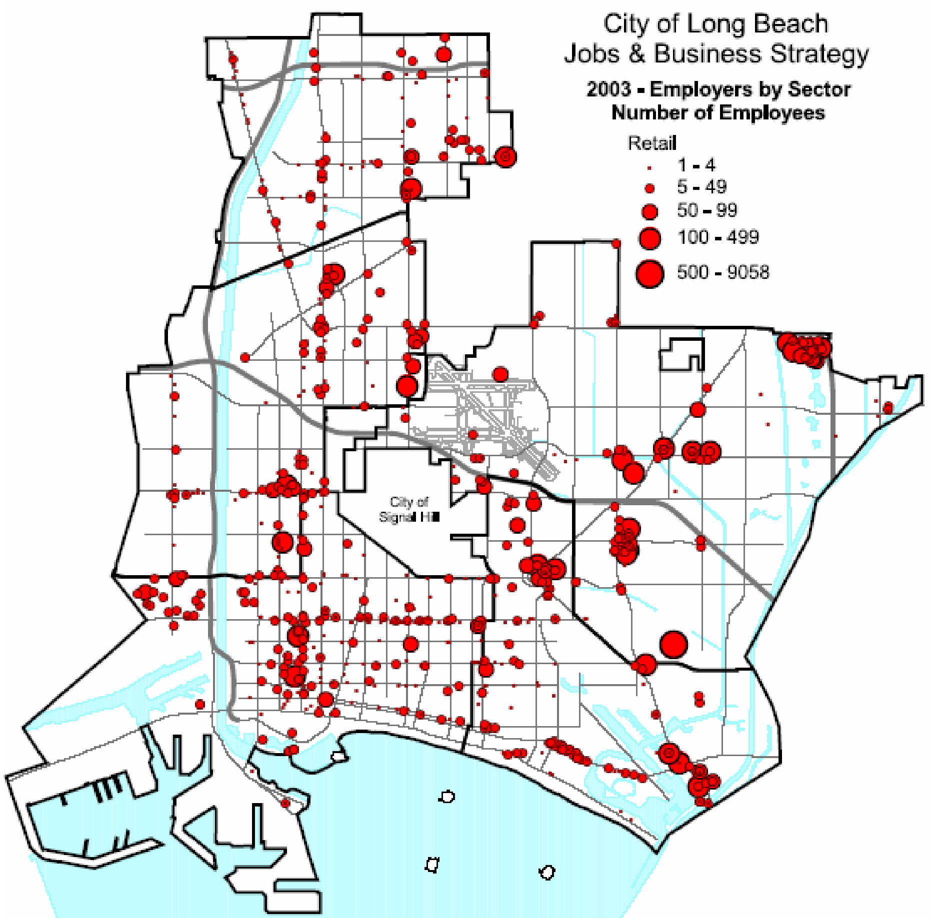
	Taxable Retail Sales	Retail Leakage	Leakage Per Capita	Lost Local Sales Tax Revenue
Retail Stores				
Apparel stores	$ 103,142,000	-$63,484,552	-$138	-$476,134
General merchandise stores	$ 317,025,000	-$79,376,259	-$172	-$595,322
Food stores	$ 192,907,000	-$3,796,014	-$8	-$28,470
Eating and drinking places	$ 489,759,000	-$16,138,722	-$35	-$121,040
Home furnishings and appliances	$ 92,281,000	-$53,384,313	-$116	-$400,382
Bldg. matrl. and farm implements	$ 500,446,000	$267,031,026	$579	$2,002,733
Auto dealers and auto supplies	$ 328,824,000	-$140,740,865	-$305	-$1,055,556
Service stations	$ 268,523,000	-$34,089,172	-$74	-$255,669
Other retail stores	$ 443,404,000	-$102,276,983	-$222	-$767,077
Total Retail Stores	*$ 2,736,311,000*	-$226,255,855	*-$490*	-$1,696,919
All Other Outlets	$ 852,224,000	-$162,968,137	-$353	-$1,222,261
Totals All Outlets	$ 3,588,535,000	-$389,223,991	-$843	-$2,919,180

Source: State Board of Equalization, 2002; MJC, 2004

The data presented in Table 23 is from 2002 and does not include new retail sales from *City Place* and *The Pike*, afforded by these two major additions to Long Beach's retail scene.

- *City Place* is a $75 million mixed-use development of 370,000-square feet of urban scaled destination retail anchored by Wal-Mart; 85,000-square feet of neighborhood retail anchored by Albertson's and Sav-On; Nordstrom Rack and Ross stores; and 350 units of market rate housing.
- *The Pike at Rainbow Harbor* is a 350,000-square foot commercial complex consisting of restaurant, retail, and entertainment uses.

Figure 18: Map of Retail Businesses, Long Beach, 2003



Source: EDD, 2004

The figure above maps the distribution of retail centers by neighborhood. As illustrated, retail businesses are located throughout the City, though they are concentrated along Pine Avenue, City Place, 2nd Avenue, and Alamitos Bay, among other major shopping areas.

5.2.4.4 <u>Cluster Challenges and Opportunities</u>

- Long Beach's Power Centers[12] do not appear to have sufficient regional appeal to capture a fair share of retail dollars from Long Beach and/or non-Long Beach residents in apparel, furniture, electronics, and department stores.

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[12] A Power Center is a very large retail mall of over 300,000 square feet of retail space, which brings together a variety of destination retail stores and smaller format stores. Power Centers often include restaurants and movie theaters as well.

- Pine Avenue offers a strong restaurant and bar market, though its appeal as a specialty shopping venue appears to be slipping.
- There is significant competition for residents' retail dollars by non-Long Beach retailers, especially in the automotive sales, general merchandise, apparel, and other retail sales.
- There is a significant oversupply of outdated and underperforming commercial strip retail space.
- Long Beach continues to capture significant sales dollars from surrounding communities in the Building Materials and Garden Equipment category.
- Long Beach has sufficient grocery stores to meet local demand, though geographic distribution of grocery stores may be uneven among different Long Beach neighborhoods.
- The new Zoning Element of the General Plan seeks to transform older commercial corridors into mixed-use retail districts (with housing and office above and retail below). This effort may gradually strengthen Long Beach's pleasure shopping venues.

5.2.4.5 Implications for Economic Development

- At the macro level, Long Beach has the proportion of grocery store jobs as would be expected given the California economy as a whole (LQ=1.2). This means that there is limited market support for additional chain grocery stores in Long Beach, though particular neighborhoods may have needs that are not met.
- This analysis supports the contention that Long Beach may have a higher-than-usual presence of liquor stores and bars (LQ= 1.7).
- Opportunities to attract new specialty retailers to Long Beach will improve, if more middle and higher-income residents move into the City.
- Current land-use patterns may limit the City's ability to attract new retailers as older commercial corridors do not offer competitive retailing space. Retail recruitment efforts focused on chains are most likely to be successful when focused on existing successful shopping areas such as City Place, The Pike, and other Long Beach Power Centers.

Photo: Alamitos Bay

5.2.5 *PROFESSIONAL AND BUSINESS SERVICES*

5.2.5.1 Overview

The professional and business services cluster[13] is comprised of 1097 firms that employed 22,527 people in 2003, an increase of 52 percent (7,649 jobs) over the 1997 total of 14,791 jobs. Overall the sector employs 14 percent of the Long Beach workforce.

Job growth was particularly strong in Administrative and Support Services which doubled in size from 6,708 to 12,723 jobs between 1997 and 2003. This cluster serves the Long Beach economy but exports little to the region (LQ=1.1). However it has relatively strong job concentrations in Accounting (LQ=2), Office Administrative Service (LQ=3), Employment Services (LQ=1.5), and Investigation and Security Services (LQ=2.5). All of these sub-sectors are relatively low-skill and low-wage, and many employed in these clusters are temporary workers. Temporary employment is one of the fastest growing industries in the nation and Long Beach has caught the wave and seems to be surfing this trend.

Job growth has remained flat in the professional, scientific and technical services sector: the sector lost 122 jobs over the five year interval from 1987 to 2003, when 735 firms employed 7,961 people.

Table 24: Professional and Business Service Jobs, Long Beach 2003

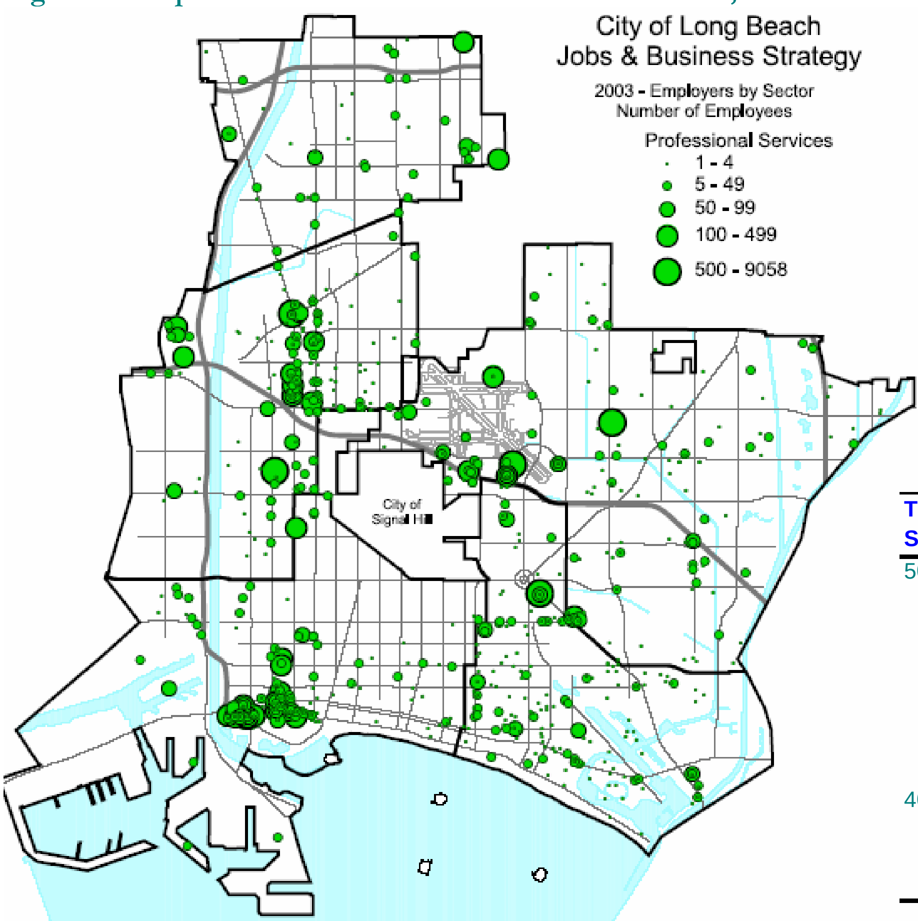
	Long Beach					California		
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Professional and Business Services	**1097**	**22,527**	**$ 46,939**	**21**	13.9%	2,108,100	12.4%	**1.1**
Professional, Scientific and Technical Services	746	8,045	$ 61,923	11	5.0%	899,400	5.3%	**0.9**
Legal Services	205	1,511	$ 84,089	7	0.9%	138,700	0.8%	**1.1**
Accounting, Tax Preparation, Bookkeeping Services	119	2,012	$ 33,355	17	1.2%	103,500	0.6%	**2.0**
Architectural, Engineering and Related Services	89	1,505	$ 66,610	17	0.9%	149,300	0.9%	**1.1**
Specialized Design Services	35	345	$ 62,886	10	0.2%	23,000	0.1%	**1.6**
Computer Systems Design and Related Services	66	674	$ 76,219	10	0.4%	166,200	1.0%	**0.4**
Management, Scientific, Technical Consulting Servic	149	1,197	$ 77,248	8	0.7%	111,000	0.7%	**1.1**
Scientific Research and Development Services	9	93	$ 104,153	10	0.1%	95,100	0.6%	**0.1**
Advertising and Related Services	38	375	$ 43,055	10	0.2%	60,500	0.4%	**0.6**
Other Professional, Scientific, Technical Services	36	333	$ 37,204	9	0.2%	52,100	0.3%	**0.7**
Management of Companies and Enterprises	29	1,759	$ 102,437	61	1.1%	255,600	1.5%	**0.7**
Administrative and Support and Waste Services	322	12,723	$ 29,792	40	7.8%	953,200	5.6%	**1.4**
Administrative and Support Services	310	12,260	$ 28,928	10	7.6%	917,100	5.4%	**1.4**
Office Administrative Services	40	1,269	$ 60,083	32	0.8%	44,900	0.3%	**3.0**
Employment Services	72	6,381	$ 25,693	89	3.9%	441,600	2.6%	**1.5**
Business Support Services	44	510	$ 28,197	12	0.3%	60,300	0.4%	**0.9**
Travel Arrangement and Reservation Services	24	568	$ 33,003	24	0.4%	31,300	0.2%	**1.9**
Investigation and Security Services	21	2,614	$ 20,831	124	1.6%	110,000	0.6%	**2.5**
Services to Buildings and Dwellings	85	723	$ 27,963	9	0.4%	192,500	1.1%	**0.4**
Residual-Other Support Services	24	195	$ 34,190	8	0.1%	27,800	0.2%	**0.7**
Waste Management and Remediation Services	12	463	$ 52,669	39	0.3%	36,100	0.2%	**1.3**
Waste Treatment and Disposal	5	283	$ 54,614	57	0.2%	12,700	0.1%	**2.3**
Residual-Waste Collection, Remediation Services	7	180	$ 49,610	26	0.1%	23,400	0.1%	**0.8**

Source: EDD, 2005

Wages. Overall average wages are a low $29,797 per year for people in the Administrative Support sector, while average wages are a much higher $62,923 for people working in the Professional, Scientific and Technical Services sector.

[13] These firms provide services to clients in a variety of industries and, in some cases, to households, including the following activities: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services.

Figure 19: Map of Professional and Business Service Firms, 2003



Top Ten Profession and Business Service Employers, Long Beach 2003

500-2000 employees

- UNIVERSAL SECURITY CONCEPTS INC.
- 3.6.9 HOLDINGS, INC.
- EMPLOYMENT MANAGEMENT SERVICES, INC.
- FIRST MEDICAL STAFFING, INC.
- EDGE MANAGEMENT WEST, LLC.
- PROGRESSIVE STAFF, INC.
- EPSON AMERICA, INC.

400-499 employees

- PREMIER NURSING SERVICE
- AFSA DATA CORP
- ORIENT TALLY COMPANY

Source: MJC, 2005

Source: EDD, 2004

As shown in the map above, Professional and Business Service firms are located throughout Long Beach, however downtown, the airport and West Central Long Beach are geographic centers for this cluster.

5.2.5.2 Implications for Economic Development

- The Administrative Support services sector is likely to continue rapid growth, with or without the attention of the City of Long Beach.
- Many lower-income people find entry-level employment in administrative support services, and appropriate job training and placement services would likely yield rewards to Long Beach residents.

5.3 Sectors in Transition

This section explores transitions of former dominant economic sectors in Long Beach. Manufacturing, Trade, Transportation and Warehousing appear to be losing their dominance in the Long Beach economy. High Tech, on the other hand, has never been a strong sector in Long Beach. All of these sectors remain an important source of quality jobs with opportunities for advancement. However, as noted in the sections below the future growth of each remains in question.

5.3.1 MANUFACTURING

5.3.1.1 Jobs and Sector Analysis

With over 17,000 jobs, Long Beach's manufacturing cluster provides 11 percent of all Long Beach jobs. The sector is dominated by aerospace with 10,368 jobs, computer and electronic product manufacturing (1,074 jobs), fabricated metal product manufacturing (717 jobs) and motor vehicle parts manufacturing (1,397 jobs). Please see Table 25 to review total jobs, payroll, payroll/job and firms for each sub-sector of Manufacturing.

Table 25: Manufacturing Jobs, Long Beach 2003

	Long Beach						California		
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs		Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Manufacturing	**343**	**17,239**	**$ 63,182**	**50**	10.6%		1,544,900	9.1%	**1.2**
High Tech Manufacturing	**173**	**14,810**	**$ 68,260**	**86**	9.1%		981,800	5.8%	**1.6**
Primary Metal Manufacturing	4	362	$ 59,553	91	0.2%		25,200	0.1%	**1.5**
Fabricated Metal Product Mfg	46	717	$ 41,456	16	0.4%		138,800	0.8%	**0.5**
Machinery Manufacturing	23	235	$ 61,553	10	0.1%		86,700	0.5%	**0.3**
Computer and Electronic Product Manufacturing	18	1,074	$ 58,225	60	0.7%		326,100	1.9%	**0.3**
Electrical Equipment and Appliance Manufacturing	7	360	$ 34,429	51	0.2%		36,600	0.2%	**1.0**
Transportation Equipment Manufacturing	33	11,441	$ 73,337	347	7.1%		129,300	0.8%	**9.3**
Motor vehicle parts and body manufacturing	10	1,397	$ 59,413	140	0.9%		32,867	0.2%	**4.4**
Aerospace Product and Parts Manufacturing	13	10,368	$ 68,050	798	6.4%		73,400	0.4%	**14.8**
Ship and boat building	11	206	$ 45,887	19	0.1%		8,867	0.1%	**2.4**
Chemical Manufacturing	20	320	$ 65,865	16	0.2%		78,400	0.5%	**0.4**
Plastics and Rubber Products Manufacturing	22	301	$ 33,647	14	0.2%		59,800	0.4%	**0.5**
Low Tech Manufacturing	**170**	**2,429**	**$ 32,220**	**14**	1.5%		563,100	3.3%	**0.5**
Residual-Wood Product Manufacturing	10	118	$ 28,210	12	0.1%		39,600	0.2%	**0.3**
Furniture and Related Product Manufacturing	23	747	$ 37,026	32	0.5%		62,900	0.4%	**1.2**
Miscellaneous Manufacturing	31	485	$ 47,521	16	0.3%		91,600	0.5%	**0.6**
Food Manufacturing	32	225	$ 22,168	7	0.1%		156,000	0.9%	**0.2**
Beverage and Tobacco Product Mfg	D	-	$ -		0.0%		35,700	0.2%	**0.0**
Textile Mills	3	207	$ 21,491	69	0.1%		13,000	0.1%	**1.7**
Apparel Manufacturing	37	303	$ 14,056	8	0.2%		89,000	0.5%	**0.4**
Residual-Textile Product Mills	7	122	$ 20,054	17	0.1%		16983	0.1%	**0.8**
Paper Manufacturing	D	D					30,100	0.2%	
Printing and Related Support Activities	27	222	$ 36,419	8	0.1%		63,900	0.4%	**0.4**

Source: EDD, 2005

As indicated in Table 25, the Long Beach economy has very high concentration of Aerospace (LQ=14), ship and boat building (LQ=2.4) and motor vehicle parts and body manufacturing jobs (LQ=4.4). These economic base industries export products to the nation and the world and are a significant source of income, jobs and other benefits to the Long Beach economy. However, there is no corresponding concentration of supplier businesses, such as plastics manufacturing, electrical equipment, fabricated metal products, or machinery manufacturing, which would be expected from the presence of large Original Equipment Manufacturers (OEM)[14] like Boeing and Gulfstream Aerospace. Typically a large OEM, like Boeing, should attract a wide array of suppliers in metal manufacturing, fabricated metal products, computer and electronic

[14] An OEM is a large manufacturing firm such as Boeing, Ford or General Motors, which designs and assembles equipment, but often subcontracts manufacturing of constituent parts to a supply base of small and mid-sized manufacturing firms.

manufacturing, and plastics and rubber manufacturing to the surrounding economy. All of these later sectors have location quotients of less than one, signifying that they are under-represented in Long Beach in comparison to their overall representation in the California economy. Thus, the decline in Boeing's fortunes have resulted in a general hollowing out of the supply chain. Indeed absent Boeing, Long Beach would not have a proportional fair share of the manufacturing sector. One could surmise, from the data that Boeing is purchasing some of its inputs locally from Long Beach businesses, but that it purchases the majority of its inputs from suppliers in the L.A. region and beyond. This explanation is borne out by the relatively higher location quotients of the supplier sectors (ranging from 1.2 to 1.4) for the LA region (See Appendix B).

With just 2,400 jobs, Long Beach is not competitive in the lower-tech manufacturing sector relative to Los Angeles County (LQ=0.5). This sector is composed of furniture and related wood-products manufacturing, food manufacturing, textile mills, apparel manufacturing and printing among other lower-tech manufacturing sectors. Overall, Long Beach has less than its fair share of lower-tech manufacturing in all sectors except for furniture and related product manufacturing and textile mills. Comparatively, Los Angeles is fairly strong in all sectors, with location quotients that range from 0.9 to 2.59. This suggests that Los Angeles County is an effective location for a diversity of employers from these sectors, while Long Beach has not effectively attracted/retained these manufacturing firms.

5.3.1.2 Trends

Overall manufacturing has undergone a prolonged decline in Long Beach; many thousands of jobs have been lost over the past decade primarily due to job losses at Boeing. From 1997 through 2003, the sector lost 10,309 jobs for a 37 percent decline from the 1997 total of 24,500. Cluster performance is closely tied to the fortunes of Boeing. Increased federal spending on defense and homeland security has boosted demand for Boeing's noncommercial aircraft, satellites, and navigation systems. However, declining national air-passenger demand, and significant restructuring in the airline business due to bankruptcies and changing business models have depressed demand for new commercial jets. How these trends have impacted Boeing's recent past in Long Beach is clear, as the last MD-11 came off the product line and 6,000 jobs were lost in 2002, and Boeing announced the end of 717 production in early 2005 and the ultimate elimination of an additional 1,000 jobs. Boeing currently operates a 424-acre facility at the Long Beach Airport with over 6.7 million square feet of space that is utilized for the production of the C-17 military transport plane, and program support for production lines in other locations.

Photo: Boeing, Long Beach

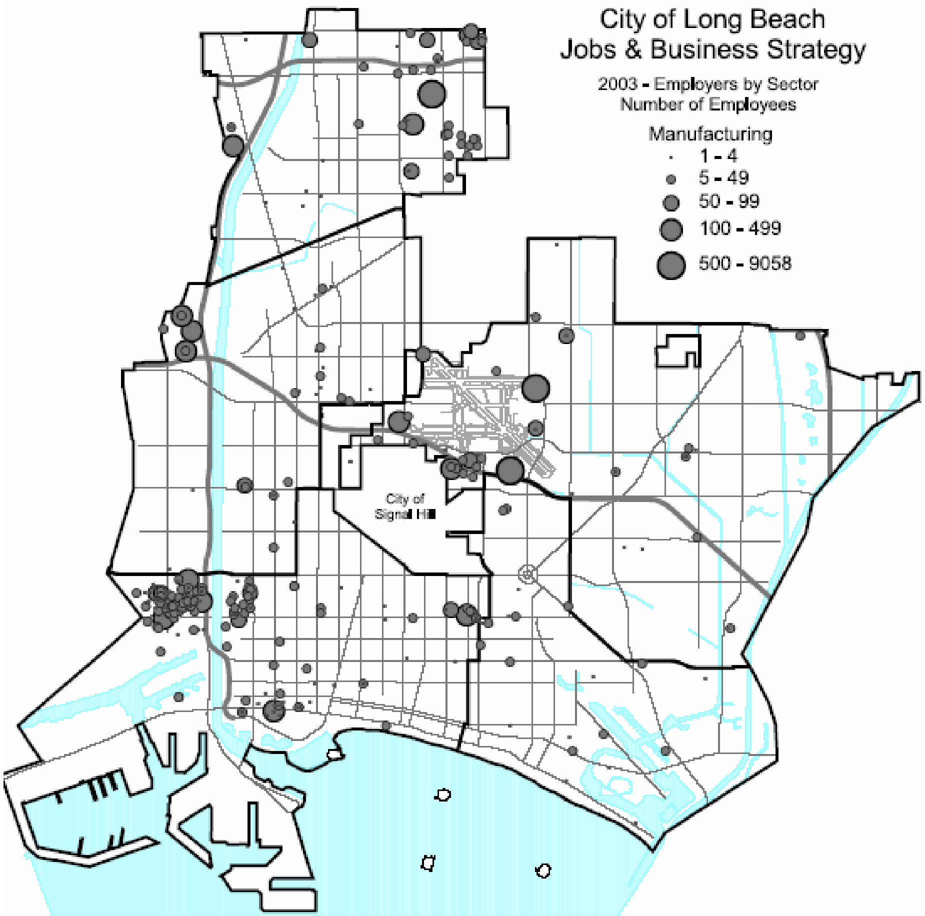
Lower tech manufacturing has been moving off-shore for many decades, with L.A. County one of the few areas of the United States which has retained a significant share of lower-tech manufacturing, particularly apparel manufacturing (LQ=2.5) tied to women's fashions. While outsourcing of apparel manufacturing continues, LA County has held on to the design and fashion sectors of apparel manufacturing.[15] L.A. County also has a strong furniture and related product manufacturing sector (LQ=1.5), yet neither of these sectors are well-represented in Long Beach.

Wages. Offering some of the best salaries in the Long Beach economy with an average wage of $63,182 the manufacturing cluster provides a wide range of excellent high-pay jobs.

[15] *Los Angeles Area Fashion Industry Profile*, LAEDC, Dec 2003.

Top Employers. Top manufacturing firms include Boeing Corp, Gulfstream Aerospace, and Verizon. The top ten largest employers provide 75 percent of all jobs in the sector.

Figure 20: Map of Manufacturing Firms, 2003



Source: EDD, 2004

As illustrated in the Map above, manufacturing firms are concentrated in the South west, airport and North areas of Long Beach.

5.3.1.3 Cluster Challenges and Constraints

- Lack of significant Long Beach-based manufacturing suppliers to the city's major employer, Boeing.
- Competition from area cities for manufacturing firms.
- Heavy reliance upon Boeing as a source of high quality jobs in Long Beach, and uncertainty about Boeing's prospects.
- Limited opportunities to attract new manufacturing jobs to Long Beach because of a lack of space for new facilities.

Top Manufacturing Firms, Long Beach 2003
500-10,000 employees
BOEING
GULFSTREAM AEROSPACE CORP
VERIZON CALIFORNIA INC
300-499 employees
SNUGTOP
TABC
ROBERTSHAW CONTROLS COMPANY
200 - 299 employees
HUGHES TECHNICAL SERVICES COMPANY
DENSO SALES CALIFORNIA, INC.
WESTERN TUBE & CONDUIT CORP
VERIZON SVC. ORGANIZATION INC.
ALFLEX CORPORATION

Source: MJC, 2005

5.3.1.4 Cluster Opportunities and Strengths

- Boeing is in the process of converting 260 acres of their facility from industrial to commercial and residential. This Douglas Park development may provide an opportunity to attract additional manufacturing firms and develop quality industrial, research and development space.
- Easy access to Port of Long Beach for export and import of manufactured products.

5.3.1.5 Implications for Economic Development

- The Long Beach/Harbor Cities industrial market has very low vacancy of 2.8 percent (see page 54). Given this extremely low vacancy rate, new manufacturing firms could be easily attracted to Long Beach with the development of new industrial space.
- Attraction of manufacturing supply chain firms could result in job growth and a stronger manufacturing sector for Long Beach. Long Beach may be able to attract metal manufacturing, fabricated metal products, computer and electronic manufacturing, and plastics and rubber manufacturing firms from L.A. County, which has a solid relative concentration of such firms.
- If additional industrial space is developed, Long Beach could likely attract new apparel and furniture manufacturing firms given its proximity to L.A., which has a solid concentration of such employers.
- Lower-tech manufacturing firms offer good jobs that match the skills of new immigrant residents and economic development efforts in this sector would increase job opportunities among Long Beach's newest residents. For example, a majority of production workers in the apparel sector are Hispanic (81 percent), Asian (16 percent), women (66 percent) and non-citizens (75 percent).

5.3.2 HIGH TECH

5.3.2.1 Overview

Long Beach has long pursued the "High-Tech" cluster which is an amalgam of sub-sectors from the Manufacturing, Information, and Business Services clusters (see Table 26). Boeing is sometimes thought of as a high-tech firm, however it has been excluded from the total employment numbers for this analysis because Boeing's facility in Long Beach is primarily engaged in manufacturing (it was included in the manufacturing analysis). Absent Boeing, Long Beach has not developed a critical mass of "High-Tech" firms. As shown in Table 26, High-Tech firms employ 5,417 or three percent of the Long Beach workforce. Indeed, High-Tech jobs are underrepresented in Long Beach relative to California with a LQ of 0.6. Long Beach has strong job concentrations in Telecom (LQ= 1.37), Specialized Design Service (LQ=1.65), and Management, Scientific and Technical Consulting Services (LQ=1.23). However, it has anemic job performance in Computer and Electronic Equipment Manufacturing (LQ=0.3), ISPs and Web Portals (LQ=0.1), and Research and Development (LQ=0.1).

Table 26: High-Tech Cluster, Long Beach 2003

	Long Beach						California		
TITLE	Firms	Jobs		Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
High Technology Cluster	343	5,417	$	63,690	15.793	3.3%	972,700	5.7%	**0.6**
Computer and Electronic Product Manufacturing	18	1,074	$	58,225	60	0.7%	326,100	1.9%	**0.3**
Electrical Equipment and Appliance Manufacturing	7	360	$	34,429	51	0.2%	36,600	0.2%	**1.0**
Software Publishers	6	149	$	103,085	25	0.1%	44,700	0.3%	**0.3**
Telecommunications	41	1,467	$	52,161	36	0.9%	121,400	0.7%	**1.3**
Internet Service Providers, Web Search Portals and I	12	58	$	51,447	5	0.0%	48,600	0.3%	**0.1**
Specialized Design Services	35	345	$	62,886	10	0.2%	23,000	0.1%	**1.6**
Computer Systems Design and Related Services	66	674	$	76,219	10	0.4%	166,200	1.0%	**0.4**
Management, Scientific and Technical Consulting Se	149	1,197	$	77,248	8	0.7%	111,000	0.7%	**1.1**
Scientific Research and Development Services	9	93	$	104,153	10	0.1%	95,100	0.6%	**0.1**

Source: EDD, 2005

5.3.2.2 Trends

Jobs. Employment in this cluster has grown slightly (+475 jobs) since 1997, with job gains in Specialized Design Services (+247), Management, Scientific and Technical Consulting Services (+605), and job losses in Internet Service Providers and Web Portals (-122 jobs), Computer and Electronic Product Manufacturing (-125 jobs), and Computer Systems Design (-233 jobs). High-Tech firms provide high median wages of $63,690 to a skilled workforce.

5.3.2.3 Strengths & Challenges

- Long Beach has good connectivity, with a variety of telecom, broadband, and wireless services.
- Key employers, such as: Long Beach Computer Science Corp., Hughes, and Earth Tech, may strengthen the cluster over time.
- Long Beach does not have a sufficient concentration of high-tech workers.

5.3.2.4 Implications for Economic Development

- High-Tech is not currently a strong job sector in Long Beach. However, it may grow in importance.
- Many economic regions have struggled to attract this sector through incentives and attraction packages. However, High-Tech firms require a few simple and hard to achieve ingredients to flourish, namely: access to first class universities and their graduates, access to venture capital, and a high quality of life to attract and retain a quality workforce.

5.3.3 Trade, Transportation and Warehousing

5.3.3.1 Overview

Trade, Transportation and Warehousing[16] businesses employ 18,265 people, or 11 percent of the Long Beach workforce with an average wage of $45,085. With an overall location quotient of 0.7, this sector underperforms relative to the California economy. However, many jobs (14,205) are concentrated in transportation which has a relatively high location quotient of 3.1, indicating that Long Beach specializes in this sector. Over 7,500 people are employed in transportation support activities (see Table 27).

Table 27: Trade Transportation and Warehousing Jobs, Long Beach 2003

	Long Beach					California		
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Trade, Transportation and Utilities	**633**	**18,265**	**$ 45,085**	**29**	11.3%	2,722,000	16.1%	**0.7**
Wholesale Trade	**347**	**4,060**	**$ 53,733**	**12**	2.5%	651,400	3.8%	**0.7**
Wholesalers, Durable Goods	178	2,768	$ 55,736	16	1.7%	346,000	2.0%	**0.8**
Motor Vehicle and Motor Vehicle Parts Merchant \	16	282	$ 39,767	18	0.2%	41,900	0.2%	**0.7**
Furniture and furnishing merchant wholesalers	9	154	$ 42,303	17	0.1%	19,500	0.1%	**0.8**
Lumber and const. supply merchant wholesalers	9	110	$ 59,496	12	0.1%	22,800	0.1%	**0.5**
Professional and Commercial Equipment Merchar	20	201	$ 88,020	10	0.1%	84,500	0.5%	**0.2**
Metal and mineral merchant wholesalers	10	466	$ 49,827	47	0.3%	10,900	0.1%	**4.5**
Electrical and Electronic Goods Merchant Wholes	19	337	$ 66,122	18	0.2%	48,400	0.3%	**0.7**
Hardware and plumbing merchantwholesalers	21	304	$ 68,724	14	0.2%	23,800	0.1%	**1.3**
Machinery, Equipment and Supplies Merchant Wh	49	495	$ 49,866	10	0.3%	52,200	0.3%	**1.0**
Miscellaneous Durable Goods Merchant Wholesa	25	419	$ 50,676	17	0.3%	42,200	0.2%	**1.0**
Residual-Furniture and Home Furnishing Merchar	0	-	$ -	0	0.0%		0.0%	NA
Wholesalers, Nondurable Goods	108	1,054	$ 48,229	10	0.7%	233,200	1.4%	**0.5**
Wholesale Electronic Markets and Agents and Brokei	61	238	$ 54,818	4	0.1%	72,200	0.4%	**0.3**
Transportation, Warehousing and Utilities	**286**	**14,205**	**$ 42,613**	**50**	8.8%	480,700	2.8%	**3.1**
Utilities	13	687	$ 54,907	53	0.4%	55,200	0.3%	**1.3**
Transportation and Warehousing	273	13,518	$ 41,988	50	8.3%	425,400	2.5%	**3.3**
Air Transportation	7	240	$ 41,637	34	0.1%	54,200	0.3%	**0.5**
Water transportation	11	134	$ 73,173	12	0.1%	4,200	0.0%	**3.3**
Residual-Rail Transportation	0	-	$ -	0	0.0%		0.0%	NA
Truck Transportation	78	1,099	$ 44,810	14	0.7%	109,900	0.6%	**1.0**
Transit and Ground Passenger Transportation	8	1,006	$ 37,093	126	0.6%	35,000	0.2%	**3.0**
Charter bus industry	12	421	$ 27,126	35	0.3%	4,300	0.0%	**10.2**
Scenic and sightseeing transportation, water	12	134	$ 13,152	11	0.1%		0.0%	NA
Pipeline transportation	4	180	$ 107,515	45	0.1%		0.0%	NA
Support Activities for Transportation	114	7,494	$ 47,068	66	4.6%	75,400	0.4%	**10.4**
Couriers and Messengers	12	2,173	$ 23,343	181	1.3%	70,900	0.4%	**3.2**
Warehousing and Storage	15	637	$ 39,640	42	0.4%	56,800	0.3%	**1.2**

Source: EDD, 2005

By comparison, 4,060 people or 2.5 percent of the workforce was employed in 347 Wholesale Trade[17] firms. A location quotient of 0.7 for this sector indicates that Long Beach has fewer wholesale trade jobs than expected, especially given the concentration of transportation and warehousing jobs. By comparison in 1997, this sector employed 5,257 people in 402 establishments. The loss of 1,197 wholesale trade jobs may have resulted from firms leaving Long Beach for cheaper warehouse space elsewhere as industrial lease rates have increased over the past five years.

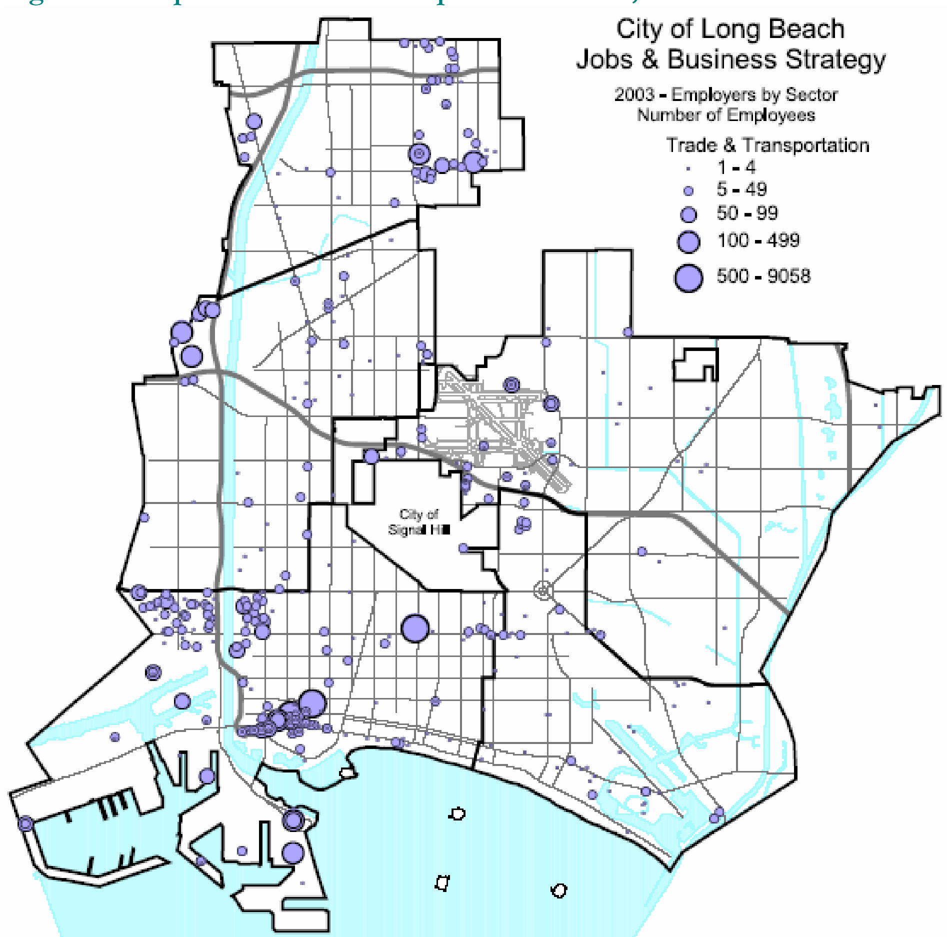
The wholesale trade and transportation and warehousing sectors are linked, and a concentration in one typically is paired with a concentration in the other. Higher relative land costs seem to be limiting the development of wholesale and warehousing facilities (as they typically require large floor plates and lots) near the extensive import/export activities taking place at the Port of Long Beach.

[16] Transportation and Warehousing businesses transport passengers and cargo, warehouse and store goods, and provide support activities related to modes of transportation.

[17] Wholesale trade establishments engage in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The wholesaling process is an intermediate step in the distribution of merchandise.

Wages. This sector offers a solid average wage of $44,000 per year; and wages range from a low of $13,000 for water taxis to over $107,000 for pipeline transportation workers.

Figure 21: Map of Trade and Transportation Firms, 2003



Source: EDD, 2004

As illustrated in the map above, Trade and Transportation jobs are concentrated in downtown, the Port, the Airport, and North Long Beach.

5.3.3.2 Trends

Port growth should result in more transportation and wholesale trade employment over the coming 20 years. The Port of Long Beach remains one of the busiest container ports in the world and it is expanding in response to growing US demand for imports. Favorable economic conditions lifted container cargo volumes at the Port of Long Beach to a new high in 2003. The privately operated shipping terminals at the Port moved the equivalent of nearly 4.7 million twenty-foot-long units (TEUs), an increase of 2.9 percent over 2002. During 2003, the Port acquired new customers[18] and witnessed strong performances from its existing shipping lines.[19] However, the Port also lost a major shipping line, which makes the growth in container

[18] New customers: China Shipping Container Line, Matson Navigation Co., Mediterranean Shipping Co., and the Grand Alliance vessels of Hapag-Lloyd, NYK Line and P&O Nedlloyd.

[19] Existing customers: China Ocean Shipping Co., Hanjin Shipping Co., Hyundai Merchant Marine Inc., "K" Line, Orient Overseas Container Line, Yang Ming and Zim Israel Navigation Co.

volume even more impressive. Overall imports (primarily clothing, toys, shoes and electronics) slipped by 1.8 percent to 2,409,576 TEUs. Amid an economic upturn in Asia and a weakening dollar, exports (primarily machinery, plastics, electronic components, meat and chemicals) climbed 5.8 percent to 904,539 TEUs – the first upturn in exports since 2000. Empty containers, headed back to be re-filled overseas, jumped 10.3 percent to 1,344,009 TEUs.

The Port will grow significantly through 2020 and cargo throughput will increase in virtually every cargo category (see Table 28), necessitating Port expansion and efficiency measures. The forecasted increase in cargo volumes will result in significant job growth in the truck and support activities for transportation sectors as well as increased traffic flows through and around Long Beach.

Table 28: Projected Port of Long Beach Growth and Impacts on Capacity

			2020 Projected Volume				
	2000 Volume	Current Capacity	High	Low	Annual Change	Total Increase	Required New Capacity
Containerized Cargo (Million TEUs)	4.6	6.5	16.6	12.1	5.0% to 6.6%	256%	5.6 to 10
Automobile Cargo (Autos)	274,042	622,800	573,667	296,300	2.3% to 4.1%	109%	None
Neo Bulk and Break Bulk (million metric tons)	2.1	6	9.6	7.4	6.1% to 7.5 %	357%	1.8 to 4.0
Liquid Bulk Cargo (million metric tons)	32	35.4	30.2	27.2	-0.8% to -0.4%	-6%	None
Dry Bulk Cargo (million metric tons)	6.1	12.1	8.3	7.1	1.2% to 2.2 %	36%	None

Source: Port Facilities Master Plan

International trading partners include the Pacific Rim nations of Japan, China, Taiwan, and Korea. In addition to containers, the Harbor facility handles crude and refined petroleum products, dry bulk such as coal, coke and cement; automobiles, lumber, paper and fruit; steel and scrap metal.

A recently completed economic impact analysis of the Port found that nearly $1.9 billion is spent per year in the city of Long beach for port industry services, primarily for terminal operations ($770 million), cargo packing ($286 million), trucking ($269 million) and ship repair ($101 million).[20] Clearly the Port is a driving force of the city's Trade cluster.

5.3.3.3 Cluster Challenges and Constraints

- The high and increasing cost of warehouse and industrial space may cause more warehousing firms to leave Long Beach.
- Traffic congestion and transportation issues on the 710 freeway and the Alameda Corridor.
- Some community opposition to further Port expansion.

5.3.3.4 Implications for Economic Development

- Wholesale Trade and Warehousing jobs have declined in Long Beach even as the Port has grown. Appropriate economic development efforts for this sector may include business retention calls for major employers and location assistance for firms interested in expanding into or within Long Beach.
- Increasing land prices and lack of available warehouse space will limit growth in the warehousing sector.
- Support Activities for Trade will continue to add more jobs in the near and far term. The Port of Long Beach expansion will drive job growth in this sector.

[20] "Economic Impacts: Contribution to the Local, State and National Economies", Port of Long Beach, 2005

5.4 Other Economic Sectors

5.4.1 *FINANCE, INSURANCE AND REAL ESTATE*

5.4.1.1 Jobs and Sector Analysis

The Finance, Insurance, and Real Estate (FIRE) sector is comprised of 756 firms employing 7,693 people (5 percent of the workforce) in 2003. With a location quotient of 0.9, this sector serves businesses and residents within Long Beach and does not export services to the region. The sector has employed between 7,000 and 9,000 people over the past ten years, some years gaining and other years losing a few hundred jobs.

Table 29: Finance, Insurance and Real Estate Jobs, Long Beach 2003

	Long Beach					California		Location Quotient
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	(Relative Concentration of Sector in Long Beach)
Financial Activities	**756**	**7,693**	**$ 52,598**	**10**	**4.7%**	**886,800**	**5.2%**	**0.9**
Finance and Insurance	404	4,782	$ 64,104	12	3.0%	612,400	3.6%	**0.8**
Credit Intermediation and Related Activities	158	1,870	$ 68,130	12	1.2%	294,800	1.7%	**0.7**
Depository Credit Intermediation	69	1,240	$ 76,639	18	0.8%	169,300	1.0%	**0.8**
Nondepository Credit Intermediation	39	362	$ 65,208	9	0.2%	84,800	0.5%	**0.4**
Activities Related to Credit Intermediation	50	268	$ 32,710	5	0.2%	40,600	0.2%	**0.7**
Securities, Commodity Contracts and Investments	81	825	$ 76,817	10	0.5%	86,200	0.5%	**1.0**
Insurance Carriers and Related	157	2,073	$ 55,713	13	1.3%	220,200	1.3%	**1.0**
Insurance Carriers	31	1,357	$ 51,992	44	0.8%	127,700	0.8%	**1.1**
Agencies, Brokerages, and Related Activities	126	716	$ 62,765	6	0.4%	92,600	0.5%	**0.8**
Residual-Other Finance	8	14	$ 19,549	2	0.0%	11,200	0.1%	**0.1**
Real Estate and Rental and Leasing	**352**	**2,911**	$ 33,698	8	1.8%	274,400	1.6%	**1.1**
Real Estate	309	2,242	$ 33,525	7	1.4%	195,100	1.2%	**1.2**
Lessors of Real Estate	111	699	$ 30,325	6	0.4%	66,300	0.4%	**1.1**
Offices of Real Estate Agents and Brokers	101	449	$ 50,017	4	0.3%	47,800	0.3%	**1.0**
Activities Related to Real Estate	97	1,094	$ 28,800	11	0.7%	80,900	0.5%	**1.4**
Rental and Leasing Services	38	615	$ 30,152	16	0.4%	76,100	0.4%	**0.8**
Passenger car rental and leasing	16	189	$ 41,768	12	0.1%	23,017	0.1%	**0.9**
Equipment Rental and Leasing	6	65	$ 24,902	11	0.0%	23,000	0.1%	**0.3**
Residual-Consumer Goods Rental	16	361	$ 46,883	23	0.2%	31,300	0.2%	**1.2**
Lessors of Nonfinancial Intangible Assets	5	54	$ 81,263	11	0.0%	3,200	0.0%	**1.8**

Source: EDD, 2005

Wages. Average salaries range from $24,902 for people working in equipment rentals to $76,639 for bank employees.

5.4.1.2 Implications for Economic Development

Finance Insurance and Real Estate firms will continue to provide a base of solid jobs in Long Beach.

Top Ten Finance, Insurance, and Real Estate Employers, Long Beach 2003

200-500 employees

- SCAN HEALTH PLAN
- WELLS FARGO BANK NORTH AMERICA
- BANK AMERICA NORTH AMERICA
- BERRO MANAGEMENT
- VALUE BEHAVIORAL HEALTH OF CALIFORNIA

150- 200 employees

- FARMERS & MERCHANTS BANK
- BIXBY KNOLLS TOWERS
- COASTLINE EQUIPMENT
- LIVING OPPORTUNITIES MANAGEMENT CO
- UHC OF CA, INC.

Source: MJC, 2005

5.4.2 INFORMATION

5.4.2.1 Jobs and Sector Analysis

Long Beach has 2,604 information jobs or 1.6 percent or the job base. The City is under-represented for jobs in this sector (LQ=0.6), especially for a city of Long Beach's size. With no major news broadcasting station to match the size of Long Beach's population, the city struggles to maintain a separate image and identity from Los Angeles. The Press-Telegram is the largest employer in this sector.

Table 30: Information Jobs, Long Beach 2003

	Long Beach					California		
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Information	**99**	**2,604**	$ 51,362	26	1.6%	471,400	2.8%	**0.6**
Publishing Industries (except Internet)	16	492	$ 59,764	31	0.3%	106,200	0.6%	**0.5**
Newspaper, Periodical, Book and Directory Publisher	10	343	$ 40,945	34	0.2%	61,600	0.4%	**0.6**
Software Publishers	6	149	$ 103,085	25	0.1%	44,700	0.3%	**0.3**
Motion Picture and Sound Recording	16	241	$ 81,104	15	0.1%	141,200	0.8%	**0.2**
Broadcasting (except Internet)	14	346	$ 15,302	25	0.2%	44,800	0.3%	**0.8**
Telecommunications	41	1,467	$ 52,161	36	0.9%	121,400	0.7%	**1.3**
Internet Service Providers, Web Search Portals and Da	12	58	$ 51,447	5	0.0%	48,600	0.3%	**0.1**

Source: EDD, 2005

5.4.2.2 Implications for Economic Development

The City might try to attract a news affiliate station such as Channel 13 KCOP to tell the Long Beach story and serve the Long Beach community.

5.4.3 GOVERNMENT

A little over 9,000 jobs are found within the Government sector, and the City of Long Beach is the largest employer with over 5,000 workers. Overall, Long Beach's government cluster is very lean with less than half the government jobs that would be expected for an economy of its size (LQ=0.4). These totals do not include government jobs in education (such as k-12 education and community colleges), which are included under the education cluster.

Table 31 Government Jobs, Long Beach 2003

	Long Beach					California		
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Government	**15**	**9,062**	**$ 33,513**	**604**	5.6%	2,426,500	14.3%	**0.4**
Federal Government	6	2,609	$ 17,532	435	1.6%	258,700	1.5%	**1.1**
State Government	7	751	$ 52,347	107	0.5%	2,167,700	12.8%	**0.0**
Local Government	2	5,702	$ 38,345	2851	3.5%	1,696,200	10.0%	**0.4**
Local Government	1	3,831	$ 57,073	3831	2.4%			
Local Government Recreation	1	714	$ 23,982	714	0.4%			
Local Government Utilities	1	750	$ 45,335	750	0.5%			
Local Government, Support Activities for Transporta	1	407	$ 50,330	407	0.3%			

Source: EDD, 2005

Long Beach has relatively more Federal Government than expected (LQ=1.4). Major Federal Government employers include: US Department of the Treasury, Bureau of Customs and Border Control and the Social Security Administration (the U.S. Postal Service is included under Trade). However, Long Beach has a very low concentration of State Government employment (LQ = 0.04). Major State employers include: the State Franchise Tax Board, the Employment Development Department, and the Department of Rehabilitation.

5.4.4 *OTHER SECTORS*

A variety of other sectors make up the remainder of Long Beach's economy, including Farm (24 jobs), Mining and Petroleum Products (659 jobs), Construction (5,727 jobs) and other services (4,381 jobs). Of these sectors, only Mining and Petroleum Products contribute to Long Beach's exports (LQ=3.1).

Table 32: Construction, Mining, Farm and Other Services Jobs, Long Beach 2003

	Long Beach					California		
TITLE	Firms	Jobs	Payroll/ Employee	Jobs/ Firm	% of All Jobs	Jobs	% of All Jobs	Location Quotient (Relative Concentration of Sector in Long Beach)
Farm	**7**	**24**	**$ 40,465**	**3**	0.0%	375,000	2.2%	**0.0**
Mining & Petroleum Products Mfg.	**24**	**659**	**$ 72,250**	**27**	0.4%	22,000	0.1%	**3.1**
Oil and Gas Exploration	10	374	$ 76,186	37	0.2%	6,100	0.0%	**6.4**
Support activities	9	122	$ 64,892	14	0.1%	6,300	0.0%	**2.0**
Petroleum and Coal Products Manufacturing	5	163	$ 68,729	33	0.1%	15,400	0.1%	**1.1**
Construction	**355**	**5,727**	**$ 44,499**	**16**	3.5%	788,800	4.7%	**0.8**
Other Services	**659**	**4,381**	**$ 39,210**	**7**	2.7%	505,800	3.0%	**0.9**
Repair and Maintenance	212	1,979	$ 47,627	9	1.2%	157,000	0.9%	**1.3**
Personal and Laundry Services	231	1,910	$ 23,335	8	1.2%	134,900	0.8%	**1.5**
Religious, Grantmaking, Civic, Professional and Simila	25	234	$ 118,575	9	0.1%	213,900	1.3%	**0.1**
Private households	191	258	$ 20,188	1	0.2%		0.0%	NA

Source: EDD, 2005

5.4.4.1 Trends

- Volatile and most likely increasing world oil prices will improve profitability at Long Beach oil extraction facilities. While increasing automation will further dampen employment.
- New development and construction activities at the Douglas Park project will likely result in a temporary increase in construction jobs in Long Beach.
- The City's new Jobs Initiative will specifically link local contractors with new construction opportunities with the City of Long Beach.